



OTTO FUCHS

Guidelines for Responsible Procurement

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General principles

OTTO FUCHS KG and its employees recognise their duties with regard to social responsibility. All laws (e.g. the German Supply Chain Act or LkSG) are observed and – in all matters – the company and its employees undertake to ensure that their actions are ethical. In particular, everyone involved in the procurement process takes responsibility for their own company, customers and suppliers, as well as the environment and the wider community. We expect the same from our suppliers. These Guidelines for Procurement are intended to emphasise the fair, sustainable, responsible, and ethical principles of action at OTTO FUCHS. The Guidelines form the basis for all business relationships between OTTO FUCHS and its suppliers and are part of the OTTO FUCHS general purchasing conditions, which apply to all orders.

The aim of OTTO FUCHS KG is to work together with other parties in the value chain to implement various measures and processes for preventing potential negative effects and to establish common strategies for promoting lasting positive development.

Before any procurement, the following must be clarified:

Assessment of need

As a metalworking company, we want to use energy and all other resources sparingly and responsibly. Before any procurement can take place, it is essential to carefully clarify whether the procurement is necessary or if there are possible alternatives. Consumables should be used as sparingly as possible. Once the products have served their purpose, they must be recycled or disposed of in an environmentally sound way.

Attention is to be paid to the use of conflict minerals in accordance with the 'Dodd-Frank Act' that came into force in the USA.

Life cycle assessment

When considering value for money, the entire life cycle of a product must be taken into account. It is not just the acquisition costs that have to be compared. In this sense, products that make efficient use of resources in operation are of great benefit. The entire life cycle must also be considered with regard to ecological and social challenges, from the extraction of raw materials through to disposal.

Longevity and recyclability

If products are procured, they should retain their value for as long as possible. Accordingly, they must be designed in such a way that they can be reused, shared, repaired, refurbished or recycled. In certain cases, administrative units may wish to consider alternative business models (e.g. rental or sharing models).

Human rights

OTTO FUCHS KG is aware of its responsibility to respect and support compliance with internationally recognised human rights and to reject any form of forced or child labour. OTTO FUCHS KG also expects the same from its business partners and suppliers. We have already defined the appropriate selection process for suppliers, which primarily takes into account human rights and environmental risks. In support of this, OTTO FUCHS KG has established a comprehensive risk management tool. This evaluates risk criteria for the supplier, which are then reported to the responsible person.

We undertake to regularly monitor compliance with our human rights and environmental due diligence obligations – annually and as required – and to take action against any violations.

Our principles and values, which are based on the international standards and guidelines (see reference list), can be found in both the Code of Conduct for Employees and the Code of Conduct for Suppliers.

Gender equality / empowerment of women

OTTO FUCHS KG views gender equality not only as a fundamental human right, but also as a crucial prerequisite to sustainable cooperation.

OTTO FUCHS KG believes that the company is enriched by diversity. For this reason, care is taken to ensure that women, men, and members of the LGBTQ+ community are treated equally and given equal opportunities. As an employer, we take a zero-tolerance approach to all kinds of discrimination.

In our procurement process, too, care must be taken to ensure that the selected supplier views the term “woman” as self-identification, while also adopting a standard whereby women, men and those who reject binary gender assignment are given the same protection and opportunities. Sexual, physical or verbal harassment, as well as any other behaviour that creates an intimidating, hostile, or offensive work environment is strictly prohibited throughout the procurement process.

Conflict and high-risk areas

A high-risk area is any area in which there is a high risk of conflict, as well as widespread or serious abuse. This includes any form of torture or cruel, inhumane or degrading treatment; any form of forced labour; severe forms of child labour, and any other serious human rights violations and abuses, such as the widespread occurrence of sexual violence. It also includes war crimes or other serious violations of international humanitarian law, such as crimes against humanity or genocide.

OTTO FUCHS KG does not get involved in armed conflicts or human rights violations in conflict and high-risk areas. We also expect our suppliers to meet the same standard of conduct.

Corruption

Corruption is an obstacle to economic development and can undermine environmental and labour standards, access to human rights and the rule of law. Bribery is the most severely condemned form of corruption. Any supplier of OTTO FUCHS KG must have its own established code of conduct, which has been defined by the management and has been adopted by its employees. This should clarify the company's mission, values and principles.

Minimisation of risk

OTTO FUCHS KG uses various tools (including complaint management, the 'riskmethods' risk management tool and internal supplier evaluation) to mitigate or to act against potential or existing risks. The Purchasing department provides the Code of Conduct for Suppliers – which is crucial to our procurement process – to the relevant supplier. OTTO FUCHS KG insists that all the contents of the Code of Conduct are supported and observed by its suppliers.

This ensures that the principles of the Code of Conduct for Suppliers are also cascaded through the supply chain. OTTO FUCHS KG reserves the right to check for compliance with this Code of Conduct through supplier management and by conducting supplier audits, as well as to develop its suppliers in terms of sustainability.

References

- [OTTO FUCHS Code of Conduct for Suppliers \(www.otto-fuchs.com\)](http://www.otto-fuchs.com)
- [ASI Standards | Aluminium Stewardship Initiative \(aluminium-stewardship.org\)](http://aluminium-stewardship.org)
- [RMI \(Resource Mineral Initiative\)](http://rmi.org)
- [Convention on the Rights of the Child | OHCHR](http://ohchr.org)
- [ICMM – Our principles](http://icmm.org)
- [C111 Discrimination – Core conventions \(ilo.org\)](http://ilo.org)
- [Convention C169 – Indigenous and Tribal Peoples Convention, 1989 \(No. 169\) \(ilo.org\)](http://ilo.org)
- [United Nations Declaration on the Rights of Indigenous Peoples | United Nations for Indigenous Peoples](http://un.org)
- [eng.pdf \(ohchr.org\)](http://ohchr.org)
- [GuidingPrinciplesBusinessHR_EN.pdf \(ohchr.org\)](http://ohchr.org)
- [Voluntary Principles on Security and Human Rights \(wixstatic.com\)](http://wixstatic.com)
- [W+ Standard](http://wplusstandard.org)
- [Women's Empowerment Principles \(UN Global Compact / UN Woman\)](http://un.org)
- [UN Convention on the Elimination of All Forms of Discrimination Against Women \(CEDAW\)](http://un.org)